

The New York Public Library

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Fifth Avenue and 42nd Street, New York, New York 10018-2788

Office of the President

December 18, 1996

Office of the Secretary
Federal Communications Commission
1919 M Street - Room 222
Washington, DC 20554

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Re: CC Docket No. 96-45

Dear Madam/Sir:

This letter responds to the Federal Communications Commission's request for comments on the recommendations of the Federal-State Joint Board in regard to universal service and its application to libraries. The New York Public Library commends the Joint Board for recommending reduced telecommunications rates that are sufficient to address the needs of schools and libraries and which apply to all available telecommunications services.

Information is the cornerstone of any democracy. For thousands of New Yorkers, the Library serves as one of the only free access points to the Internet and other electronic information resources. Without access, many will lack the knowledge and skills necessary to be successful in an increasingly competitive world. Significantly reduced telecommunications rates can substantially improve the Library's ability to provide democratic access to information in an electronic environment.

Eligibility for Reduced Rates:

The Library strongly supports the Joint Board's determination that any telecommunications service currently available should be eligible for reduced rates. The definition recognizes that the needs of libraries vary significantly from each other. A telecommunications system that is appropriate for one library system may not make sense in another. Wireless communications, for example, may be preferable for a rural system serving a large geographic area, but would make little sense for an urban system such as The New York Public Library. Furthermore, administrators and planners for some library and schools systems may view internal wiring as a priority over connectivity. The Joint Board's plan allows each library and school system to evaluate its priorities, and develop a telecommunications network that would best address those priorities.

The Library also supports the Joint Board recommendation that the discounted rates apply to both interstate and intrastate rates. If a state does not implement reduced rates for

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intrastate telecommunications at levels defined for interstate telecommunications, schools and libraries in the state would not be eligible for the interstate reductions. We believe this is a very strong incentive for states to implement significantly reduced intrastate telecommunications rates for schools and libraries as mandated in the Telecommunications Act of 1996.

The Library also supports the methodology recommended by the Joint Board for determining the level of discounts. By taking into account the average of school children in a service area eligible for the Federal school lunch program, the Joint Board is using a measure that accurately represents the level of poverty in an area and appropriately implements the mandate set forth by the Telecommunications Act that schools and libraries in disadvantaged areas must be eligible for the largest discounts. The Act also mandates that schools and libraries in high-cost areas receive additional discounts. The Library recommends a two-step approach by providing a formula to calculate discounts for schools and libraries in high-cost areas, then provide further discounts for those in disadvantaged areas using the school lunch formula proposed by the Joint Board.

Administration:

The Library also commends the Joint Board for allowing schools and libraries to self-certify eligibility for reduced rates. Under the Joint Board proposal, schools and libraries would receive the lowest price charged to similarly situated non-residential customers for similar services, with additional discounts relating to issues of high-cost and poverty. This is a simple, efficient, and effective methodology that avoids the submission of a myriad of forms to a governmental or quasi-governmental agency and having to wait for processing and approval before being eligible for discounts.

The Library is concerned, however, that the size of the universal service fund outlined in the Joint Board proposal is too small to adequately meet the needs of schools and libraries nationwide, and recommends that strong consideration should be given to increasing the size of the fund. The New York Public Library currently operates the largest telecommunications network of any library system in the world, connecting 84 branches and 4 research centers. There are more than 350 public Internet workstations and 1,400 on-line catalog and database search terminals. Because of extraordinary demand for electronic resources and limited network capacity, the Library plans to upgrade significantly its network to provide T-1 or T-3 line service in all units and provide a total of 1,000 public access Internet terminals by the year 2000. Once the upgraded network is operational, we expect our current annual telecommunications costs of \$450,000 to at least double. If one library system -- admittedly, one of the country's largest -- is anticipating annual telecommunications costs approaching \$1 million, it is apparent that the \$2.25 billion provided for the fund is unlikely to be sufficient to

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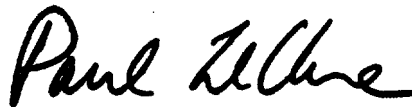
meet the needs of the approximately 111,500 public and private elementary and secondary schools and 16,000 public libraries in the United States.

The Library is also concerned about the initial designation of the National Exchange Carriers Association as administrator of the fund. We appreciate the Joint Board's attempt to designate an organization that has experience in administering similar funds, but the Library questions whether an organization representing telecommunications providers would best serve the needs of schools and libraries nationwide on an ongoing basis. We recommend, therefore, selection of a permanent, more neutral fund administrator.

The Library urges the FCC to implement the reduced telecommunications rates for schools and libraries as quickly as possible. We were pleased that the Joint Board recommends implementation of the plan in the 1997-98 school year. It is imperative that the FCC follow the timetable established by the Joint Board so libraries can immediately begin providing Americans increased access to electronic resources, educating them on how to use these resources, and stimulating economic growth.

I commend the Joint Board and the FCC for their efforts to implement a reasonable plan that provides significantly reduced rates for schools and libraries as mandated in the Telecommunications Act of 1996, and appreciate the opportunity to comment on the Joint Board's recommendations. I am convinced that by providing affordable access to electronic resources now, libraries and schools will contribute to enlightened education and economic expansion for decades to come. The New York Public Library, and particularly our nearly 13-million users annually, appreciates your efforts to make this vision a reality.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Paul LeClerc". The signature is fluid and cursive, with the first name "Paul" being more prominent and the last name "LeClerc" written in a more compact, flowing style.

Paul LeClerc
President

cc: American Library Association
Federal-State Joint Board members